

UNITED STATES OF AMERICA
BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
WASHINGTON, D.C.

Written Agreement by and among

FIRST UTAH BANCORPORATION
Salt Lake City, Utah

FIRST UTAH BANK
Salt Lake City, Utah

PREMIER DATA CORPORATION
Salt Lake City, Utah

And

FEDERAL RESERVE BANK OF
SAN FRANCISCO
San Francisco, California

Docket Nos. 98-035-WA/RB-BHC
98-035-WA/RB-SM
98-035-WA/RB-SMS

WHEREAS, in recognition of their common goal to restore and maintain the financial soundness of First Utah Bancorporation, Salt Lake City, Utah (“Bancorp”), a registered bank holding company, its subsidiary bank, the First Utah Bank, Salt Lake City, Utah (the “Bank”), a State chartered bank that is a member of the Federal Reserve System, and the Bank's wholly-owned subsidiary, Premier Data Corporation, Salt Lake City, Utah (“Premier”), and to help ensure the Year 2000 readiness of the Bank and Premier, Bancorp, the Bank, Premier, and the Federal Reserve Bank of San

Francisco, San Francisco, California (the "Reserve Bank") have mutually agreed to enter into this Written Agreement (the "Agreement");

WHEREAS, this Agreement is being executed in accordance with the Rules Regarding Delegation of Authority of the Board of Governors of the Federal Reserve System (the "Board of Governors"), specifically 12 C.F.R. 265.11(a)(15), and the Reserve Bank has received the prior approval of the Director of the Division of Banking Supervision and Regulation (the "Director") and the General Counsel of the Board of Governors to enter into this Agreement with Bancorp, the Bank, and Premier; and

WHEREAS, on January 28, 1999, the boards of directors of Bancorp, the Bank, and Premier at duly constituted meetings adopted resolutions authorizing and directing, Scott Browning, Chairman of Bancorp, Scott Browning, Chairman of the Bank, and Scott Browning, Chairman of Premier to enter into this Agreement on behalf of Bancorp, the Bank, and Premier, respectively, and consented to compliance by Bancorp, the Bank, Premier, and their institution-affiliated parties, as defined in sections 3(u) and 8(b)(3) of the Federal Deposit Insurance Act, as amended (12 U.S.C. 1813(u) and (b)(3)) (the "FDI Act"), with each and every provision of this Agreement.

NOW, THEREFORE, before the taking of any testimony or adjudication of, or finding on any issue of fact or law herein, and without this Agreement constituting an

admission of any allegation made or implied by the Board of Governors or the Reserve Bank, Bancorp, the Bank, Premier, and the Reserve Bank agree as follows:

1. Bancorp and the Bank shall not declare or pay any dividends without the prior written approval of the Reserve Bank and the Director. Requests for approval shall be received by the Reserve Bank at least 30 days prior to the proposed dividend declaration date and shall contain, but not be limited to, information on the amount proposed to be paid, Bank earnings and capital levels for the most recent annual period and the fiscal year to date, and an analysis of the proposed dividend in light of the Board of Governors's Policy Statement on the Payment of Cash Dividends by State Member Banks and Bank Holding Companies, dated November 14, 1985.

2. (a) Within 30 days of this Agreement, the board of directors of the Bank shall submit to the Reserve Bank an acceptable written plan to establish and maintain effective board oversight, control, and supervision of the Bank's senior management and the major operations and activities of the Bank and Premier. The plan shall address, at a minimum: (i) oversight of the development and maintenance of adequate policies and procedures for operations, credit, internal controls, and recordkeeping; (ii) adequate oversight of Premier; and (iii) review of management's compliance with policies, procedures, and programs.

(b) The board of directors shall maintain accurate and complete minutes of all board meetings, approve such minutes, and retain them for supervisory review.

3. (a) Within 60 days of this Agreement, the Bank shall take such actions as are necessary to employ a permanent full-time president and chief executive officer with demonstrated experience in the management and operations of a bank.

(b) During the term of this Agreement or as otherwise required by law, Bancorp and the Bank shall comply with the provisions of section 32 of the FDI Act (12 U.S.C. 1831i) and Subpart H of Regulation Y of the Board of Governors (12 C.F.R. Part 225, Subpart H) ("Regulation Y"), with respect to the appointment of any new directors or the hiring or promotion of any senior executive officers as defined in Regulation O of the Board of Governors (12 C.F.R. Part 215).

4. Within 120 days of this Agreement, the Bank's board of directors shall conduct a review of the functions and performance of the officers of the Bank, and shall forward to the Reserve Bank its written findings and conclusions along with a written description of any management changes that may be proposed as a result of the review. The review shall focus on an assessment of the duties performed by each officer and the ability of each officer to perform competently his or her assigned duties. The primary purpose of this review shall be to aid in the development of a management structure that is suitable to the Bank's needs and is adequately staffed by qualified and trained personnel. At a minimum, the qualifications of management shall be assessed for its ability to (a) restore and maintain all aspects of the Bank to a safe and sound condition, and (b) comply with the requirements of this Agreement.

5. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank acceptable written programs and procedures designed to strengthen and maintain the Bank's books and records, and internal controls and audit functions. The procedures shall include, without limitation, corrective steps that are responsive to the criticism of the Bank's current procedures respecting internal controls and audit as set forth in the Report of Examination of the Bank, which concluded in October 1998, (the "Report of Examination"), and, at a minimum, should address, consider, and include:

(a) An audit program that is consistent with generally accepted auditing standards, including, but not limited to, the scope and frequency of audits and periodic reports to the board of directors, and, at a minimum, includes an annual independent audit of the Bank's financial statements and the Bank's compliance with laws and regulations;

(b) an account certification program for all general ledger accounts on at least a monthly basis, including verification to source documents and a list of aged outstanding items, and a monthly review by senior management and the board of directors;

(c) separation of duties including, but, not limited to, segregation of duties regarding reconciliation of all balance sheet accounts and computer applications;

(d) procedures and controls for the approval of and accounting for expense claims, including: (i) supervisory approval for all non-executive officer and employee expenses; (ii) board approval for all executive officer expenses; and (iii) maintenance of supporting documentation for the services or products purchased, including the business purpose of each expense and the identification of the employee or officer incurring the expense; and

(e) guidelines on the use of the prepaid accounts.

6. Within 30 days of this Agreement, the Bank shall submit to the Reserve Bank acceptable written wire transfer policies, procedures and a plan that shall, at a minimum, address, consider, and include:

(a) Procedures for separation of duties for processing, sending, reconciling and reviewing wire transfers;

(b) security procedures including call backs to authenticate telephoned, telefaxed or written wire transfer requests;

(c) a contingency plan for the Fedline terminal; and,

(d) procedures for adequate power-on password protection for the Fedline terminal.

7. Within 90 days of this Agreement, the Bank shall submit to the Reserve Bank acceptable written revised loan policies and procedures. The policies and procedures shall address, consider, and include, but not be limited to, the following:

(a) a requirement that all new loans, and loan renewals exceeding \$100,000, be supported by current and complete financial data, a clearly defined purpose, and, where applicable, complete collateral documentation;

(b) a complete description of required loan documentation and collateral for each specific type of loan, and a requirement for the maintenance of such documentation in the loan files;

(c) guidelines for a credit and cash flow analysis to be performed on each loan, including renewals, for the full assessment of the borrower's financial capacity, and for documenting the analysis in the loan files;

(d) guidelines for renewing, extending, or modifying the terms of existing loans, including documentation of the bases for each renewal, extension, or modification; and

(e) procedures for exceptions to the Bank's loan policies, including required documentation by the account officer and approval by the board of directors that the exception to the policies is in the best interest of the Bank.

8. Within 90 days of this Agreement, the Bank shall submit to the Reserve Bank acceptable revised written loan review procedures to identify and categorize problem credits and to assess the overall quality of the Bank's loan portfolio.

(a) The procedures to identify and categorize problem credits shall, at a minimum, address, consider, and include the following:

(i) A description of the risk grades to be assigned to each loan;

(ii) the designation of the individuals who will be responsible for determining loan grades;

(iii) a description of the frequency for when loans will be graded;

(iv) a description of what loans will be graded; and

(v) the requirements outlined in Attachment I of the Interagency Policy Statement on the Allowance for Loan and Lease Losses, issued December 22, 1993,

addressing the minimum requirements relating to "Loan Review Systems" and "Credit Grading Systems".

(b) The procedures to assess the overall quality of the Bank's portfolio shall, at a minimum, address, consider, and include the following:

(i) Confirmation of the accuracy of all internal risk grades;

(ii) establishment of a watch list that includes a description of each adversely graded credit, the outstanding dollar amount, internal grade, and summaries of weaknesses and current corrective actions; and

(iii) monthly review of the watch list by the Bank's board of directors.

9. Within 30 days of this Agreement, the Bank shall achieve and, thereafter, continue to maintain through charges to current operating income, an adequate valuation reserve for loan losses. The adequacy of the reserve shall be determined in light of the volume of criticized loans, the current level of nonperforming loans, past loan loss experience, evaluation of the potential for loan losses in the Bank's portfolio, current economic conditions, examiners' other criticisms as contained in the Bank's most recent report of examination, and the requirements of the Interagency Policy Statement on the Allowance for Loan and Lease Losses, dated December 22, 1993. A written record shall be maintained indicating the methodology used in determining the

amount of the reserve needed. This record shall be submitted to the Reserve Bank within 60 days of this Agreement. Thereafter, the Bank shall conduct, at a minimum, a quarterly assessment of its loan loss reserve and its nonperforming loans and shall maintain documentation for further supervisory review.

10. Within 90 days of this Agreement, Bancorp and the Bank shall submit to the Reserve Bank an acceptable joint written plan to maintain sufficient capital at the Bank. The plan shall, at a minimum, address and consider:

(a) Bancorp's and the Bank's current and future capital requirements, including compliance with the requirements of the Capital Adequacy Guidelines for Bank Holding Companies: Risk-Based Measures and Tier 1 Leverage Measures, Appendices A and D of Regulation Y (12 C.F.R. Part 225, App.A and D) and the Capital Adequacy Guidelines for State Member Banks: Risk Based Measures and Tier 1 Leverage Measures, Appendices A and B of Regulation H of the Board of Governors (12 C.F.R. Part 208, App. A and B);

(b) the growth in the Bank's assets and its relationship to the Bank's capital ratios;

(c) the Bank's anticipated level of retained earnings;

(d) adequate capitalization of Premier; and

(e) the source and timing of additional funds to fulfill the future capital and the loan loss reserve requirements as set forth in this Agreement.

11. (a) The Bank shall immediately take all necessary steps consistent with sound banking practices, to eliminate or correct all violations of law and regulation set forth in the Report of Examination.

(b) Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank an acceptable written compliance program designed to ensure compliance with all applicable laws, rules, and regulations, including appointment of an individual as a compliance officer responsible for coordinating and monitoring compliance with the program at the Bank. The program shall detail, at a minimum, steps management will take to provide training to the responsible parties and provide adequate oversight over the entire process.

12. Within 90 days of this Agreement, the Bank shall submit to the Reserve Bank an acceptable revised written funds management policy to provide for the maintenance of an adequate liquidity position. The policy shall, at a minimum, address, consider, and include:

(a) The daily monitoring of the Bank's sources and uses of funds, including liquid assets and large deposits;

(b) identification of potential funding sources of liquidity to meet any unanticipated erosion of its deposit base; and

(c) monthly reporting to the Bank's board of directors on large deposits and other elements of the Bank's liquidity position.

13. Within 90 days of this Agreement, the Bank shall submit to the Reserve Bank an acceptable revised written interest rate risk management policy and procedures that, at a minimum, address the requirements outlined in the Joint Agency Policy Statement on Interest Rate Risk, issued May 23, 1996.

14. Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank an acceptable revised written investment policy that, at a minimum, shall address, consider, and include: (a) periodic review of the credit quality of the investment portfolio; and (b) the maintenance of accurate record keeping on the investment portfolio ensuring that reconcilements to source documents are completed, at a minimum, on a monthly basis.

15. Bancorp and the Bank shall take such actions as are necessary to ensure that all reports submitted or published by the Bancorp or the Bank, including Reports of Condition and Income, and FRY-9C Reports, accurately reflect the condition of the institutions on the date(s) for which such reports are filed, submitted or published, that all such reports are filed, submitted or published in a timely manner, and that all

records indicating how such reports are prepared are adequately maintained for subsequent supervisory review.

16. (a) Within 60 days of this Agreement, the Bank shall submit to the Reserve Bank a strategic plan and a written budget for 1999. The budget shall, at a minimum, provide for: (i) monthly estimates of all balance sheet and income and expense accounts; (ii) establishment of a variance to the budget report of the balance sheet accounts and actual income and expenses of the bank for monthly review by the board; and (iii) quarterly material revisions of projected financial statements including projected annual budgets and year-end balance sheet and income statements for the Bank.

(b) At least 30 days prior to the beginning of each calendar year subsequent to this Agreement, the Bank shall submit to the Reserve Bank a written budget for such year. Each budget shall, at a minimum, provide for monthly estimates of all significant balance sheet and income and expense items.

(c) Within 30 days after the end of each month, the Bank's board of directors shall review the Bank's actual performance for that month in comparison to each monthly budgetary projection. Documentation of the review shall be maintained for subsequent supervisory review.

17. The Bank and Premier shall take the following actions to ensure that their internal and external mission-critical systems are Year 2000 compliant:

(a) Within 45 days of this Agreement, the Bank and Premier shall submit to the Reserve Bank acceptable written test plans for all renovated or modified internal and external mission-critical systems;

(b) within 45 days of this Agreement, the Bank and Premier shall submit to the Reserve Bank acceptable written remediation contingency plans that describe how the Bank and Premier will mitigate the risks associated with the failure to complete successfully its renovation, testing, and implementation of its internal and external mission-critical systems; and

(c) within 45 days of this Agreement, Premier shall submit to the Reserve Bank acceptable written due diligence procedures to monitor and evaluate the efforts of third party suppliers regarding their ability to renovate external mission-critical systems that are not Year 2000 ready timely and effectively.

18. Within 60 days of this Agreement, Premier shall submit acceptable written plans and procedures to improve its information systems function and address the deficiencies set forth in the Reserve Bank's Information Systems Report of Examination, conducted as of August 5, 1998. These plans and procedures shall include, but not be limited to:

(a) A written strategic plan that includes: (i) responsibilities for mission-critical applications; and (ii) risk management procedures that assess technology risks, including availability, security, integrity, architecture and management risk and that detail the potential impact on business risks, including, credit, liquidity, reputational, legal, market and operational risk;

(b) procedures for computer security, end user computing, network administration, operations, change control, and parameter specifications;

(c) procedures and standards for handling operations and basic systems support;

(d) an audit plan;

(e) development and testing of a disaster recovery plan for operations;

(f) establishment of an agreement with the Bank regarding the Bank's local area network;

(g) procedures for the generation and monitoring of security profiles for Bank officials, including the review of security reports;

(h) procedures to backup the Windows NT system to tape; and

(i) procedures to improve documentation of trouble tickets and problem reporting.

19. Premier shall not expand its business until it has adopted and implemented the plans and procedures described in paragraph 18 hereof.

20. (a) The plans, policies, procedures, and programs required by paragraphs 1, 2, 5, 6, 7, 8, 10, 11(b), 12, 13, 14, 17, and 18 hereof shall be submitted to the Reserve Bank for review and approval. The Reserve Bank may comment on the plans, policies, procedures, and programs. Acceptable plans, policies, procedures, and programs shall be submitted to the Reserve Bank within the time periods set forth in this Agreement. Where applicable, Bancorp, the Bank, and Premier shall adopt all approved plans, policies, procedures, and programs within 10 days of approval by the Reserve Bank and then shall fully comply with them. During the term of this Agreement, where applicable, Bancorp, the Bank, and Premier shall not amend or rescind the approved plans, policies, procedures, and programs without the prior written approval of the Reserve Bank.

(b) Bancorp's, the Bank's, and Premier's boards of directors shall review all applicable plans, policies, procedures, and programs annually, and review compliance with all applicable plans, policies, procedures and programs quarterly.

21. Within 30 days after the end of each calendar quarter (March 31, June 30, September 30, and December 31) following the date of this Agreement, Bancorp, the Bank, and Premier shall furnish to the Reserve Bank written progress reports detailing the form and manner of all actions taken to secure compliance with this Agreement and the results hereof. Such reports may be discontinued when the corrections required by this Agreement have been accomplished and the Reserve Bank has in writing, released Bancorp, the Bank, and Premier from making further reports.

22. All communications regarding this Agreement shall be sent to:

- (a) Mr. Harold Blum
Director, Enforcement and Domestic Supervision Administration
Federal Reserve Bank of San Francisco
P.O. Box 7702
San Francisco, CA 94120-7720
- (b) Mr. G. Edward Leary
Commissioner of Financial Institutions
Department of Financial Institutions
P.O. Box 89
Salt Lake City, Utah 84110-0089
- (b) Dr. Scott M. Browning
Chairman of the Board
First Utah Bancorp and Bank
Premier Data Corporation
3826 South 2300 East
Salt Lake City, Utah 84109

23. The provisions of this Agreement shall be binding upon Bancorp, the Bank, and Premier and their institution-affiliated parties, in their capacity as such, and their successors and assigns.

24. Each provision of this Agreement shall remain effective and enforceable until stayed, modified, terminated or suspended by the Reserve Bank.

25. Notwithstanding any provision of this Agreement to the contrary, the Reserve Bank may, in its sole discretion, grant written extensions of time to Bancorp, the Bank, and Premier to comply with any provision of this Agreement.

26. The provisions of this Agreement shall not bar, estop or otherwise prevent the Board of Governors, the Reserve Bank of any federal or state agency or department from taking any other action affecting Bancorp, the Bank, or Premier or any of their current or former institution-affiliated parties.

27. This Agreement is a "written agreement" for the purposes of section 8 of the FDI Act (12 U.S.C.1818).

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the 28th day of January, 1999.

First Utah Bancorporation

Federal Reserve Bank of San Francisco

By: Scott M. Browning
Chairman

By: Harold H. Blum

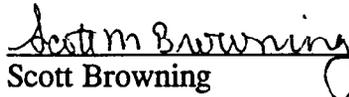
First Utah Bank

By: Scott M. Browning
Chairman

Premier Data Corporation

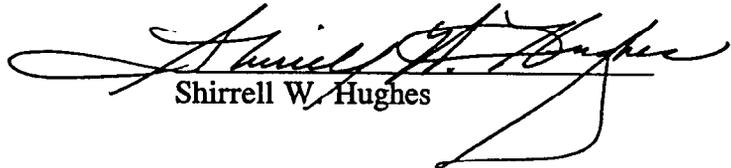
By: Scott M. Browning
Chairman

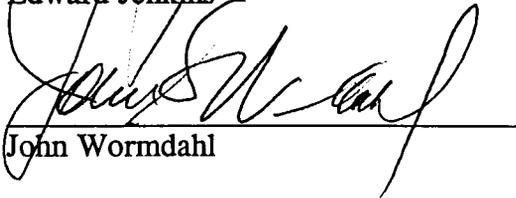
The undersigned directors of First Utah Bancorporation each acknowledges having read the foregoing Agreement and approves of the consent thereto by First Utah Bancorp.


Scott Browning

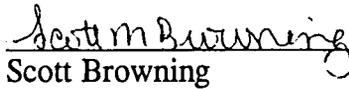

Paul Hap Green

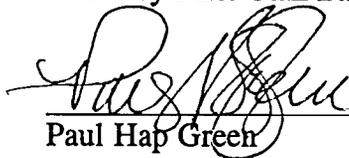

Edward Jenkins

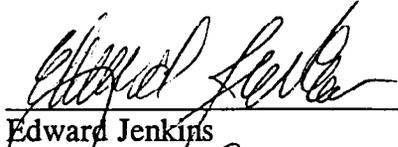

Shirrell W. Hughes

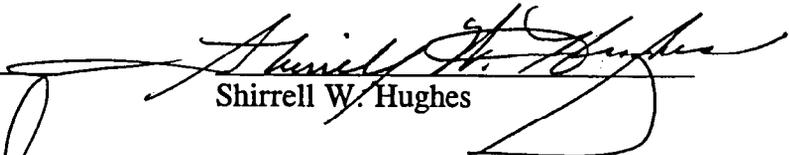

John Wormdahl

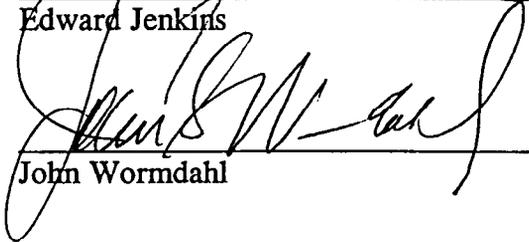
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Scott Browning

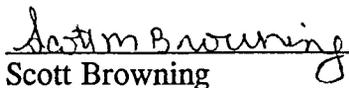

Paul Hap Green

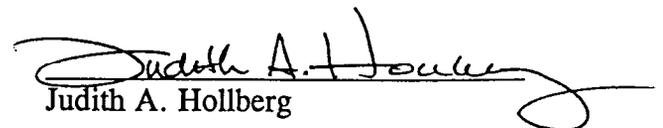

Edward Jenkins

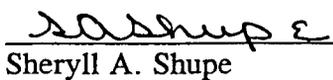

Shirrell W. Hughes


John Wormdahl

The undersigned directors of Premier Data Corporation each acknowledges having read the foregoing Agreement and approves of the consent thereto by Premier Data Corporation.


Scott Browning


Judith A. Hollberg


Sheryll A. Shupe